

State: California

A State qualified HMO is an organization which:

- (a) Is organized under the laws of the State of California,
- (b) Is in good standing with the Office of the Secretary of State,
- (c) Is operated primarily for the purpose of providing health care services as defined by 42 CFR 434.20 (c) (1), and is either:
 - (1) certified by the Commissioner of Insurance as a non-profit hospital service plan or is exempt therefrom under the provisions of Section 740 of the Insurance Code, or
 - (2) licensed by the Department of Corporations under the provisions of the Knox-Keene Health Care Service Plan Act or is exempt therefrom and;
 - (a) provides three or more of the six federally mandated Medicaid services on an at-risk basis,
 - (b) to the extent feasible, contracts for a comprehensive array of Medi-Cal services, not federally mandated, on an at-risk basis, and
 - (c) provides, directly or through subcontract, all covered Medi-Cal services not specifically excluded by the contract (excluded services are accessed through the fee-for-service system)
- (d) Meets the requirements of Section 1903 (m) (2) (A) (i)-(vii) of Title XIX of the Social Security Act as demonstrated by a contract with the State of California,
- (e) Ensures that all providers and facilities employed by it will be properly licensed or certified by the appropriate agency and will be in good standing with the Medi-Cal and Medicare programs where appropriate,
- (f) Assures beneficiary access to care equal to that of nonenrolled Medicaid recipients in the HMO service area in conformance with 42 CFR 434.20 (c) (2), and
- (g) Makes provision, satisfactory to the State Medicaid agency, against risk of insolvency in conformance with 42 CFR 434.20 (c) (3) which protects beneficiaries against liability.

TN # 87-04

supersedes

TN # 84-17Approval date FEB 25 1987 Effective date APR 01 1987